

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL REPORT
OF
IRVINGTON COMMUNITY SCHOOL - SPECIAL
MARION COUNTY, INDIANA
July 1, 2009 to June 30, 2011



FILED
08/10/2012

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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of School	Timothy P. Ehgott	07-01-09 to 06-30-10
	(Vacant)	07-01-10 to 10-18-10
	David Nidiffer	10-19-10 to 06-30-12
Treasurer	David Nidiffer	07-01-09 to 06-30-12
Chair of the Board	Leslie Hiner	07-01-09 to 06-30-11
	Jeff Lozer	07-01-11 to 06-30-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF IRVINGTON COMMUNITY SCHOOL, MARION COUNTY

We have audited the records of the Irvington Community School for the period from July 1, 2009 to June 30, 2011, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Audit Report of Irvington Community School - Marion County for the two-year period July 1, 2009 to June 30, 2011.

STATE BOARD OF ACCOUNTS

May 30, 2012

IRVINGTON COMMUNITY SCHOOL - SPECIAL
MARION COUNTY
AUDIT RESULTS AND COMMENTS

PERSONAL CREDIT CARD PURCHASES

Louann Ditmyer, School Corporation employee, used the School-Issued Procurement card (Credit Card) for personal transactions over a period from September 14, 2009 to January 12, 2010. The School Corporation first discovered personal charges on the November 2009 credit card statement. On December 9, 2009, School Corporation Officials notified Louann Ditmyer by email of the personal charges and that the charges would be withheld from her next paycheck. Subsequent to Louann Ditmyer's notification email, School Officials noted numerous additional personal charges made by Louann Ditmyer on the December 2009 and January 2010 credit card statements. The employee's procurement privileges were revoked at that time and the employee was terminated. The School Corporation contacted the State Board of Accounts and filed a report with the Indianapolis Metropolitan Police Department, Fraud Unit.

Following notification to the State Board of Accounts and the Indianapolis Metropolitan Police Department, Fraud Unit, the School Corporation did an in depth internal review and discovered that additional personal charges were made prior to the November billing. The total amount of the personal charges was \$1,688.26. However, several adjustments were made to the original amount of personal charges. A schedule of the adjustments made is detailed below:

Total Personal Charges	\$ 1,688.26
Add:	
Sales Tax	18.06
Overpayment of Salary	<u>95.41</u>
Total Additions	<u>113.47</u>
Less:	
School Items Paid for by L. Ditmyer	(79.04)
12-16-09 Payroll Deduction Reimbursement	<u>(153.67)</u>
Total Deductions	<u>(232.71)</u>
Total Amount Due from Louann Ditmyer	<u><u>\$ 1,569.02</u></u>

IRVINGTON COMMUNITY SCHOOL - SPECIAL
MARION COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Adjustments were made for various reasons. Ms. Ditmyer incurred sales tax on one of her purchases in the amount of \$18.06, which is against the School Corporation's sales tax policy. In addition, further analysis of Employee Ditmyer's compensation lead to a discovery of an overpayment of her salary. Based on comparison of the number of days Louann Ditmyer actually worked versus the compensation she received, Louann Ditmyer was overcompensated by \$95.41. Ms. Ditmyer was also due a reimbursement on school supplies purchased from her personal funds in the amount of \$79.04. Also, the School Corporation had already withheld \$153.67 from her paycheck on December 16, 2009, for the personal charges discovered on the November 2009 statement. This results in a remaining balance due of \$1,569.02.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We have requested Louann Ditmyer, former School Corporation employee, to reimburse Irvington Community School \$1,569.02 for personal credit card charges made on the School Corporation's Procurement Card. (See Summary of Charges, page 8)

CRIME INSURANCE POLICY

The School Corporation is properly insured for any errors and omissions liability. The School Corporation's insurance coverage is through Indiana Insurance and is detailed below:

Each Wrongful Act Limit	\$ 1,000,000
Aggregate Limit	1,000,000
Aggregate Defense Expense Amount	100,000
Deductible Amount	2,500

IRVINGTON COMMUNITY SCHOOL - SPECIAL
MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed via email on May 30, 2012, with David Nidiffer, Treasurer. The official response has been made a part of this report and may be found on page 7.

Attempts were made to contact Louann Ditmyer, former School Corporation Employee, to discuss the contents of this report. However, all efforts made to communicate with Ms. Ditmyer were unsuccessful.



May 29, 2012

State Board of Accounts
OFFICAL RESPONSE
302 West Washington Street
Room E418
Indianapolis, IN 46204-2765

School Officers

David J. Nidiffer,
CEO/CFO

Tim Mulherin, COO

Al Holok, CAO

Board of Directors

Jeffrey M. Løzer
(Chair)

Geoffrey Slaughter
(Secretary)

John A. Williams
(Treasurer)

Barato L. Britt

Garland Graves

Michael A. Welch

Robert Vane

Advisory Board

Leslie Hiner
(Former Chair)

Dear Sir(s) or Madam(s):

Irvington Community School, Inc.'s OFFICAL RESPONSES to the SBoA comments on the most recent audit period ending June 30, 2011 are as follows:

PERSONAL CREDIT CARD PURCHASES

Employees that are issued a school-owned procurement credit card sign a memo of understanding that they are not to use the card for personal purchases and if they do, they are subject disciplinary action up to and including termination.

When ICS discovered this employee's misuse of our procurement card, ICS took the following actions steps in accordance with our policy:

- Notified the employee and demanded immediate repayment
- Notified IMPD and filed fraud charges
- Self reported the incident to the SBoA
- Terminated the employee
- Had the employee signed a restitution plan for repayment

ICS believes we did everything we could to monitor, detect, discipline, and attempt to collect the funds that were incurred by the misuse of our procurement credit card in accordance with SBoA and Indiana Code.

This was an isolated incident and, to date of this writing, ICS has not had any other procurement credit card related issues.

David J. Nidiffer
Chief Executive and Financial Officer
Irvington Community Schools

IRVINGTON COMMUNITY SCHOOL - SPECIAL
MARION COUNTY
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Louann Ditmyer, former School Corporation employee:			
Personal Credit Card Purchases, pages 4 and 5	\$ 1,569.02	\$ -	\$ 1,569.02
	<u> </u>	<u> </u>	<u> </u>

This report was forwarded to the Office of the Indiana Attorney General and the local Prosecuting Attorney.

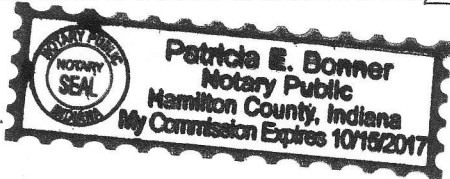
AFFIDAVIT

STATE OF INDIANA)
Marion)
COUNTY)

I, Jenny Wagner, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Irvington Community School, Marion County, Indiana, for the period from July 1, 2009 to June 30, 2011, is true and correct to the best of my knowledge and belief.

Jenny M. Wagner
Field Examiner

Subscribed and sworn to before me this 13 day of July, 2012



Patricia Bonner
Notary Public

My Commission Expires: 10-15-17

County of Residence: Hamilton